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May 20, 2005

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VIA FACSIMILE

Ms. Joann Richmond
State Board of Equalization
P.O. Box 942879
450 N Street, MIC: 80
Sacramento, CA 94279-0080

Re: Customer Services and Administrative Efficiency Committee
May 24, 2005 Meeting
Proposed Changes to the Rules of Practice

Dear Ms. Richmond:

Pursuant to the Notice to Interested Parties dated May 2, 2005, we are submitting the following comments regarding the proposed amendments to the Board's Rules of Practice.

Objective 1: Allow taxpayers to request additional presentation time in advance of the oral hearing for complex cases.

For certain complex cases, the current allotted time for an oral hearing is not sufficient for taxpayers to properly present their case. We, therefore, strongly support an amendment to the Rules where additional time may be requested prior to the hearing.

We understand the Staff Recommendation is that with the approval of the Chair, the Chief of Board Proceedings may grant requests for additional time, generally not more than an additional 10 minutes per party, for complex cases. We also understand that this ability to request additional time prior to the meeting will not preclude a Board Member from asking the Chair at the meeting to grant additional time for the presentation or for questions if needed.

We agree with the Staff's Recommendation that additional presentation time should be allowed for certain complex cases. However, we believe that the additional time should not be limited to 10 minutes. The Rules should allow for more flexibility. For example, in some cases, it may be extremely helpful for the Board to hear the testimony of live

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witnesses. Under the current procedures and even with an additional 10 minutes, it is virtually impossible for a taxpayer to present any significant live testimony.

Another example where additional presentation time would be helpful for the Board would be cases involving numerous complex issues. In these situations, the Rules should be flexible enough to allow a taxpayer to make a meaningful presentation on each of the issues.

Although additional time may be granted by the Chair at the hearing, certainty as to the allotted time prior to the hearing would allow taxpayers to better prepare a presentation that would assist the Board Members in their determination of the case. Therefore, we would respectfully submit that the Rules of Practice should be amended to provide the Chief of Board Proceedings the authority to grant additional presentation time in appropriate cases and that the additional amount of time not be limited to 10 minutes

Objective 3: Encourage publication of more Board decisions and provide legal guidance as to whether a Board decision warrants publication.

We strongly support publication of more Board decisions. In the last few years, although the Board has decided a number of significant cases, the Board published only a handful of decisions. The result is that sometimes similar cases affecting different taxpayers are re-litigated and come before the Board again because of the absence of a formal opinion. A published Board opinion provides both taxpayers and the taxing authorities with much needed guidance and in turn promotes more efficient tax administration.

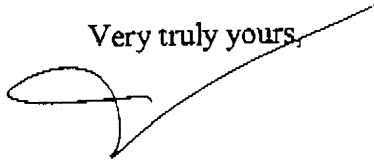
Therefore, we support an amendment to the Rules that allows the Appeals Division to provide the Board Members a brief analysis and recommendation regarding whether the Board's decision should be published. However, we would submit that the Board Members should be provided such an analysis for every case, rather than just the ones for which staff recommends publication.

Thank you for the opportunity to present the foregoing comments.

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If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Jeffrey M. Vesely', written over the closing 'Very truly yours,'.

Jeffrey M. Vesely

cc: Ms. Annie H. Huang